

# ***What is the HealthSavings CDHP?***

**Consumer Driven Health Plan (CDHP)  
w/Health Savings Account (HSA)**



# What is the HealthSavings CDHP?



- New insurance plan option
  - Wellness HealthSavings CDHP
  - HealthSavings CDHP
- Can help you save money
- In addition to existing PPOs

# PPO and HealthSavings CDHPs



- Provide comprehensive health insurance coverage
- Cover **preventive care in-network at no cost**
- Offer same provider networks
  - BCBST Network S
  - Cigna LocalPlus
- Include pharmacy coverage

# Difference Between PPO and HealthSavings CDHP

| In-Network Comparison      | Partnership PPO                      | Standard PPO                         | Wellness HealthSavings CDHP          | HealthSavings CDHP                   |
|----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Deductible                 | \$450 individual<br>\$1,150 family   | \$800 individual<br>\$2,050 family   | \$1,400 individual<br>\$2,800 family | \$1,500 individual<br>\$3,000 family |
| Medical Out-of-Pocket Max  | \$2,300 individual<br>4,600 family   | \$2,600 individual<br>\$5,200 family | \$2,300 individual<br>\$4,600 family | \$3,800 individual<br>\$7,600 family |
| Pharmacy Out-of-Pocket Max | \$2,500 individual<br>\$5,000 family | \$3,000 individual<br>\$6,000 family | included with medical                | included with medical                |
| HSA Employer Contributions | N/A                                  | N/A                                  | \$500 individual<br>\$1,000 family   | \$0                                  |

# What is the HealthSavings CDHP

The seal of the Commonwealth of Massachusetts is visible in the background, featuring a Native American figure holding a bow and arrow, surrounded by the text "SIGILLUM REIPUBLICÆ MASSACHUSETTENSIS" and the date "1780".

- Higher deductible
- Lower monthly premiums
- Includes Health Savings Account (HSA)

# How does HealthSavings CDHP work?

The seal of the Georgia Department of Community Health is visible in the background. It is a circular emblem with a blue border containing the text "THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH" and the year "1796". The center of the seal features a white star and a plow.

- Members pay for health care expenses based on discounted network rates
- When deductible is met, they pay coinsurance
- When out of pocket maximum is met, plan pays 100 percent

# How Does HealthSavings CDHP Work

## How the HealthSavings CDHP Works

Annual Expenses



### PREVENTIVE CARE

Preventive visits, immunization and screenings covered 100%\*

### DEDUCTIBLE

Amount you pay before the plan begins to pay

### COINSURANCE

If your expenses reach the deductible, the plan will pay 70% or 80% of the cost of care and you pay 20% or 30%\*\*

### OUT-OF-POCKET MAXIMUM

If you reach your out-of-pocket maximum, the plan will pay 100% of eligible expenses

Your HSA

Plan pays

You pay

\* For in-network services the plan will pay 100% of the cost of care.

\*\* For in-network services in the Wellness HealthSavings CDHP the plan will pay 80% of the cost of care and you will pay 20%.

# What is Co-Insurance?



- Percentage of total cost of services-after deductible is met
- Either 20 or 30% of discounted network rates



# HealthSavings CDHP Pharmacy Benefits 1-2-3

1. Employee pays full negotiated cost of prescription drugs up to annual deductible,
2. Employee pays coinsurance until the annual out-of-pocket maximum is reached.
3. Plan covers 100 percent of in-network costs

*For 90-day chronic maintenance drugs (e.g., hypertension, high cholesterol, etc.) pay coinsurance only – don't have to meet deductible first.*

## **Important Note:**

Member pays for the medication at the time of purchase. Even at the negotiated or discounted rate, some drugs can be expensive, particularly specialty drugs, so CDHP members may need to know costs and plan for that expenditure until the deductible is met

# Wellness HealthSavings CDHP



Only available to State and Higher Education

Only participants who agree to fulfill Partnership Promise are eligible

Receive \$500/individual or \$1000/family from State

- Deposited in HSA January 1, 2016
- Lower co-insurance than non-wellness HealthSavings CDHP

NOTE: Not available to COBRA participants or Retirees

# What is a Health Savings Account?



- A tax-free savings account to pay for deductible and coinsurance expenses.
- Payflex is vendor

# HSAs are Triple Tax Free



1. Contributions are pre-tax
2. Account balance earns .24% interest tax-free
3. Distributions are tax-free

# How is the HSA funded?

- Employees make payroll deductions
  - Employees can make deposits as they wish
  - Employees eligible for the Wellness
- HealthSavings CDHP receive funds in account in January.

# HSA Belongs to the Employee



- Money is employee's money, even if he/she leaves or retires
- Balance rolls over at end of the year

# Amount You Can Contribute Annually



- \$3,350/individual
- \$6,750/family
- Age 55+ can make additional \$1000 contributions

*Note: Per 2016 IRS guidelines set each year*

# HSA Can Be Used To Pay For

- Deductibles
- Co-insurance
- Vision and Dental
- Uncovered qualified expenses like
  - Hearing aids
  - Acupuncture
  - Home care
  - Other



# HSA Cannot be Used For



- Premium Payments
- Non-qualified medical expenses
- Non-medical expenses (until age 65)

# Other HSA Benefits



- Can help fund health expenses tax free when employee retires
- At 65, can be used for non-medical expenses with no penalty charges (but will be taxed)

# HSA Penalties



If used for non-medical expenses (prior to age 65)

- Penalties charged
- Taxes must be paid

# Difference Between HSA and FSA

- **FSA** is use it or lose it
- **HSA** is employee's money to keep
- If member is in **HSA**, can't use **FSA** for medical expenses
- With **HSA**, can use Limited Purpose **FSA** for
  - vision
  - dental

# To Qualify for An HSA

- Must be covered under the HealthSavings CDHP
- Have no other health coverage, even a spouse's plan
- Not be claimed as a dependent on someone else's 2014 tax return
- Not be enrolled in
  - Medicare,
  - Veteran's Health Benefits
  - other government insurance program

# What is ALEX?

ALEX is a smart, funny benefits expert who explains benefits options and may help members choose what's best for them.



# QUESTIONS ABOUT HEALTHSAVINGS CDHP?

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